

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7032

Joint Petition of Vermont Electric Power Company, Inc. ("VELCO"), Green Mountain Power Corporation ("GMP") and the Town of Stowe Electric Department ("Stowe") for a Certificate of Public Good pursuant to 30 V.S.A. § 248 authorizing VELCO to upgrade a substation in Moretown, Vermont; construct .3 miles of side by side, single pole tap; construct a switching station in Duxbury, Vermont; construct 9.4 miles of 115 kV transmission line; upgrade an existing GMP 34.5 kV subtransmission line; construct a substation in Stowe, Vermont; and for Stowe to construct 1.05 miles of 34.5 kV subtransmission line in Stowe, Vermont.

SURREBUTTAL TESTIMONY OF
J. RILEY ALLEN
ON BEHALF OF THE
VERMONT DEPARTMENT OF PUBLIC SERVICE

June 27, 2005

Summary: The purpose of Mr. Allen's testimony is to state the Department's position on the Gregg Hill reroute of the proposed Lamoille Loop transmission project. Mr. Allen recommends that the Board not approve the reroute as proposed by the Gregg Hill residents.

Surrebuttal Testimony
of
J. Riley Allen

Witness Identification and Qualifications

Q. Please state your name and title.

A. My name is J. Riley Allen and I am the Director for Regulated Utility Planning at the Department of Public Service.

Q. Are you the same J. Riley Allen who filed direct testimony in this investigation?

A. Yes.

Q. What is the purpose of your surrebuttal testimony?

A. The purpose of my testimony is to present Department's recommendations related to the proposed reroute presented by the Gregg Hill residents.

Q. Please describe the proposed reroute.

A. The Gregg Hill reroute is presented in the direct testimony of Mr. William D. Orr of April 8, 2005 (Figure 1), and is described by Mr. Raphael in his surrebuttal testimony and in the rebuttal testimony of Ms. Diana L. Frederick.

Q. Please summarize your conclusions and recommendations for the reroute.

A. The Department recommends that the Board not accept the reroute as proposed by the Gregg Hill residents. We reach this conclusion based on the following:

First, we conclude that the reroute is not overall an improvement on the original project. As the residents of Gregg Hill note, the project reroute would improve the aesthetics for a few residents of Gregg Hill as described in the direct testimony of Mr. Orr and Mr. Frederick D. Abraham, and in the rebuttal testimony of Ms. Diana L. Frederick.

1 There are, however, offsetting aesthetic impacts that must be considered, particularly in
2 relation to the state land around the reservoir. These are discussed at some length in the
3 surrebuttal testimony of Mr. David Raphael and the rebuttal testimony of Ms. Frederick,
4 testifying for the Agency of Natural Resources. In the view of the Department, these
5 offsetting impacts alone justify rejection of the reroute as proposed.

6 Second, based on the testimony of ANR witnesses, the proposed reroute appears to
7 be inconsistent with state policy concerning uses of state lands by degrading natural
8 resources as described by Ms. Frederick. It would result in new clear cutting, increase
9 the length of state property affected, and increase the footprint of clear cut area across state
10 lands needed for the new transmission corridor. As described by Ms. Frederick, the
11 reroute would also further fragment the forested area on state lands and would adversely
12 impact the timber harvest planned for the area.

13 Third, the reroute would come at a price. The precise rate impacts of the reroute
14 are unknown at this time, but are estimated to be in the neighborhood of several hundred
15 thousand dollars (based on the rebuttal testimony of Ms. Moulton). While the cost may
16 seem small in comparison to the overall costs of project (less than 2% of VELCO's
17 estimated project cost of \$20.3 million), they are nevertheless additional costs that can not
18 be ignored and would be significant to the small group of ratepayers that would be most
19 directly affected. In the event that the Board concludes that the proposed reroute, or a
20 modified reroute affecting only private landowners, has merit and is largely or entirely for
21 private benefit and the amount of the benefit (or associated incremental costs) can be
22 clearly identified, then we recommend that the additional costs of the reroute be
23 apportioned, as appropriate, to those benefitted private landowners. If those landowners
24 are unable or unwilling to pay for the amount apportioned, then broader ratepayer interests
25 should be respected and the Board should reject the reroute. Based on the testimony of Mr.
26 Raphael and Ms. Frederick, however, the Department concludes that no such reroute is
27 warranted across state lands.

28 Finally, I would note that, in the judgement of the Department, as reflected in the
29 testimony of Mr. David Raphael, we conclude that the route, as originally proposed route
30 through the Gregg Hill area can be mitigated within the provisions of the Quechee analysis

1 to avoid an undue adverse impact. (*See, Surrebuttal testimony of Mr. Raphael.*)

2 Q.7. Does this conclude your testimony?

3 A.7. Yes.